



First Quarter 2021

Supplemental Materials

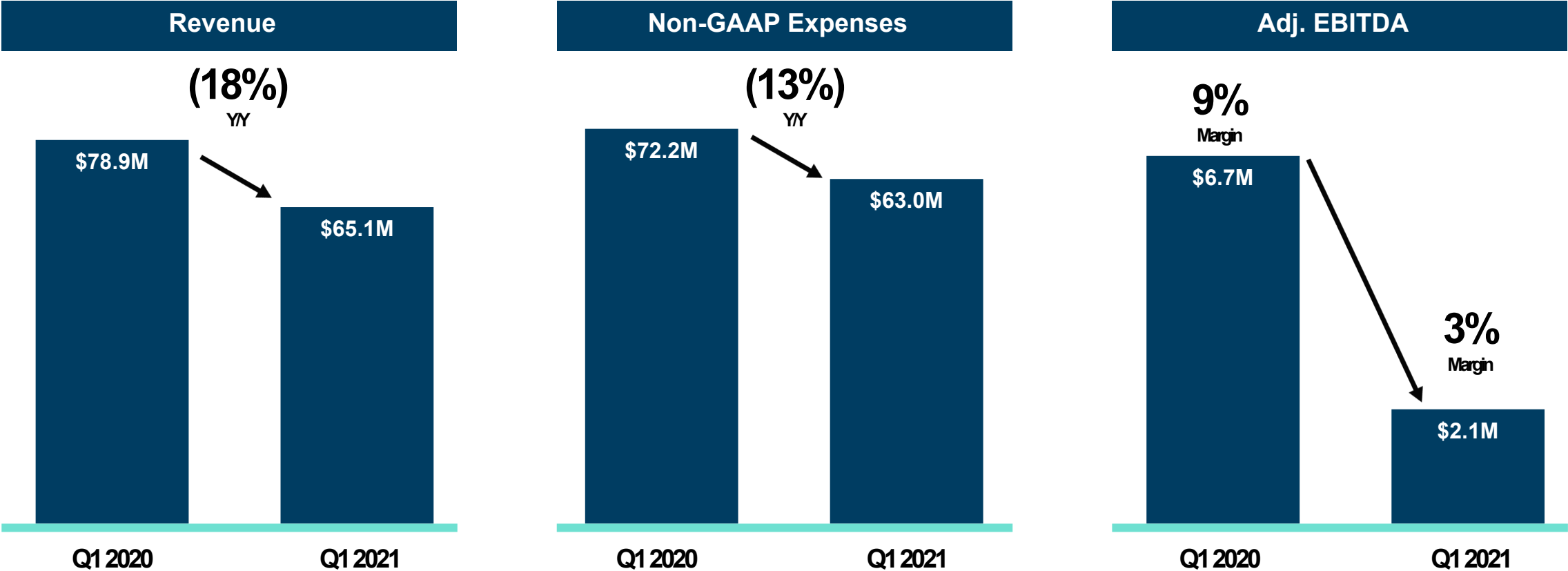
May 6, 2021

Important Information

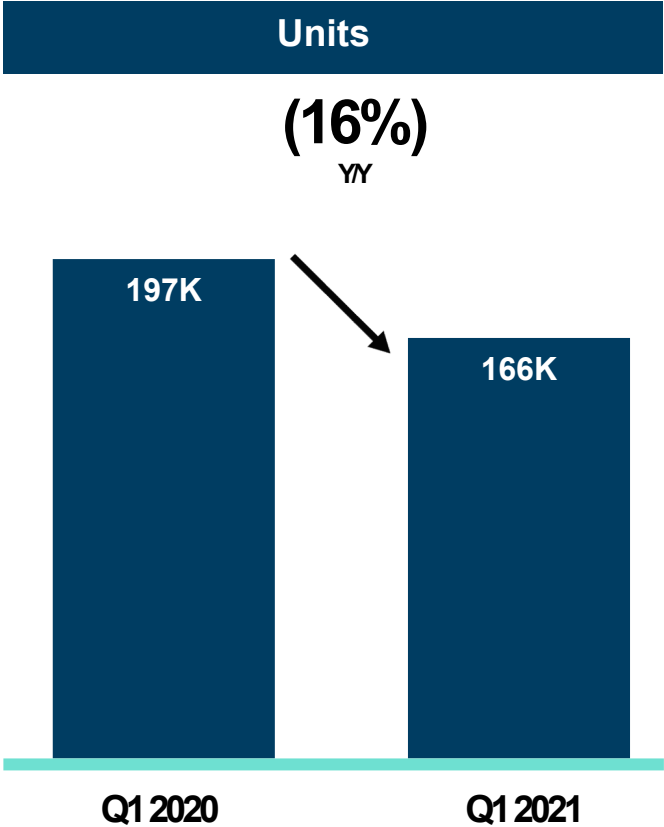
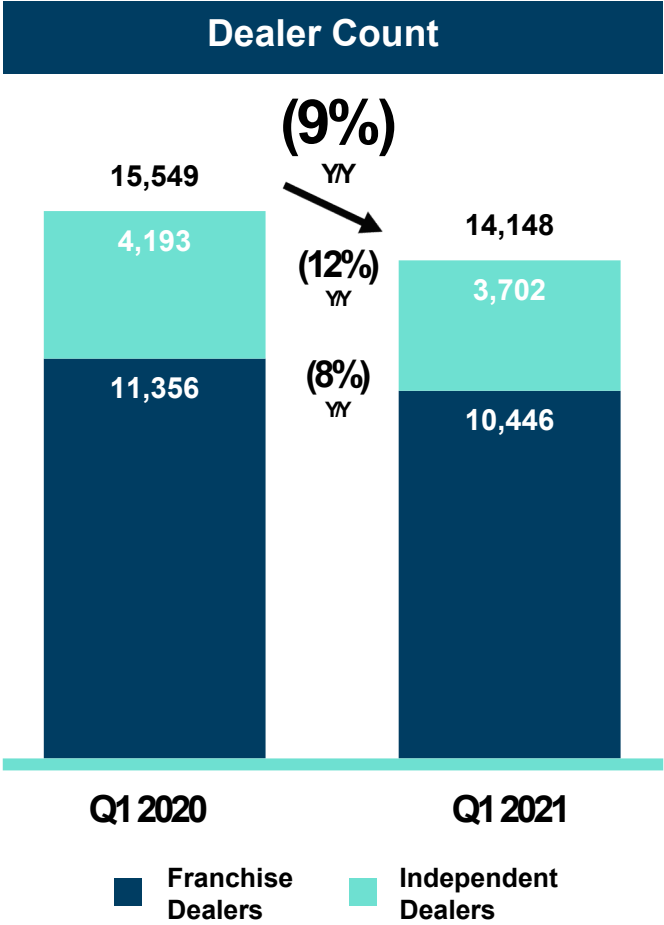
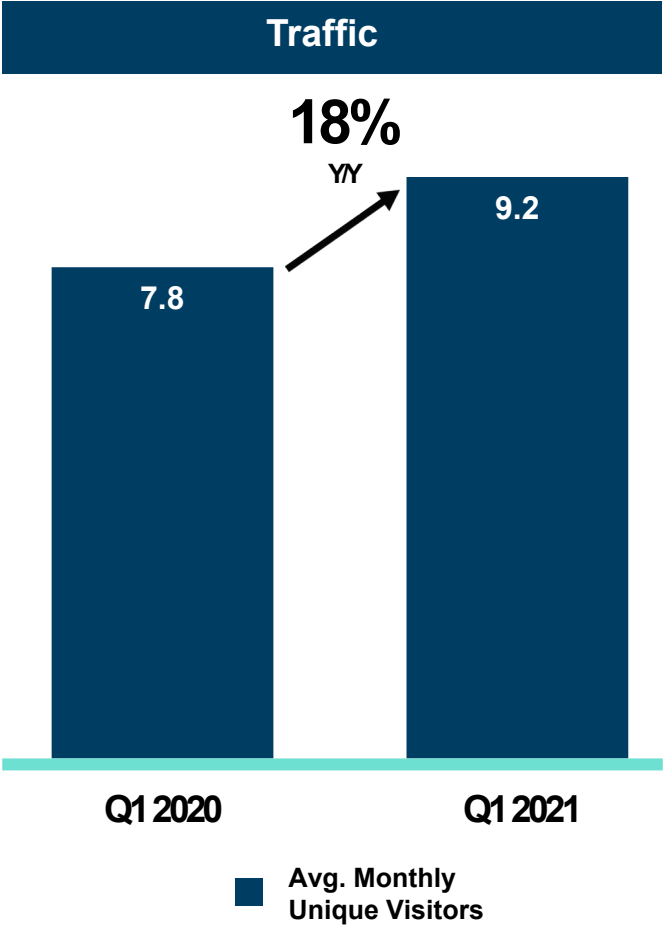
This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation, including our expectations regarding future revenue and adjusted EBITDA, are forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may prove incorrect, any of which could cause our results to differ materially from those expressed or implied by such forward-looking statements and include, among others, those risks and uncertainties described under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the Securities and Exchange Commission, or SEC, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 to be filed with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement we may make. All forward-looking statements in this presentation are based on information available to our management as of the date of this presentation, and except as required by law, we assume no obligation to update any forward-looking statement, each of which speaks only as of the date of this presentation.

In addition to U.S. GAAP financial measures, this presentation includes certain non-GAAP financial measures. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures is set forth in the Appendix to this presentation.

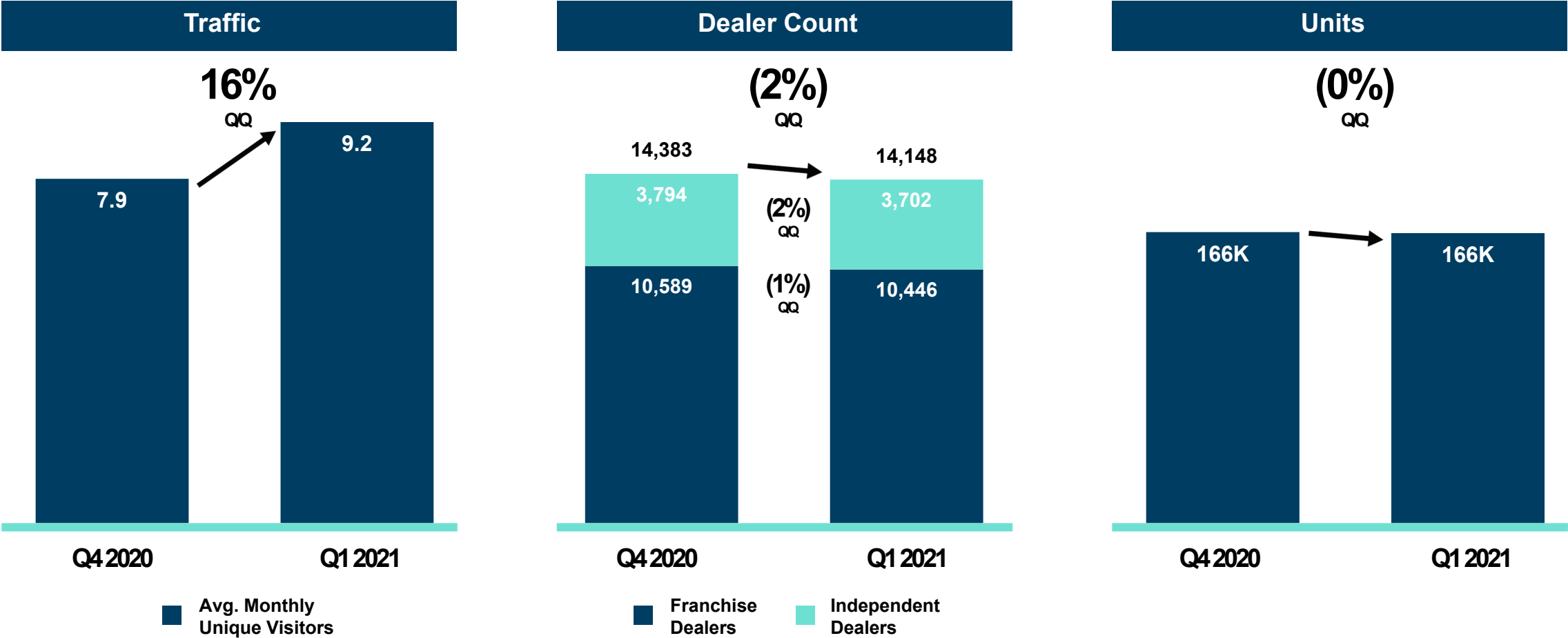
Q1 2021 Key Metrics: Revenue, Non-GAAP Expenses, and Adj. EBITDA



Q1 2021 Key Metrics Year over Year: Traffic, Dealer Count, Units

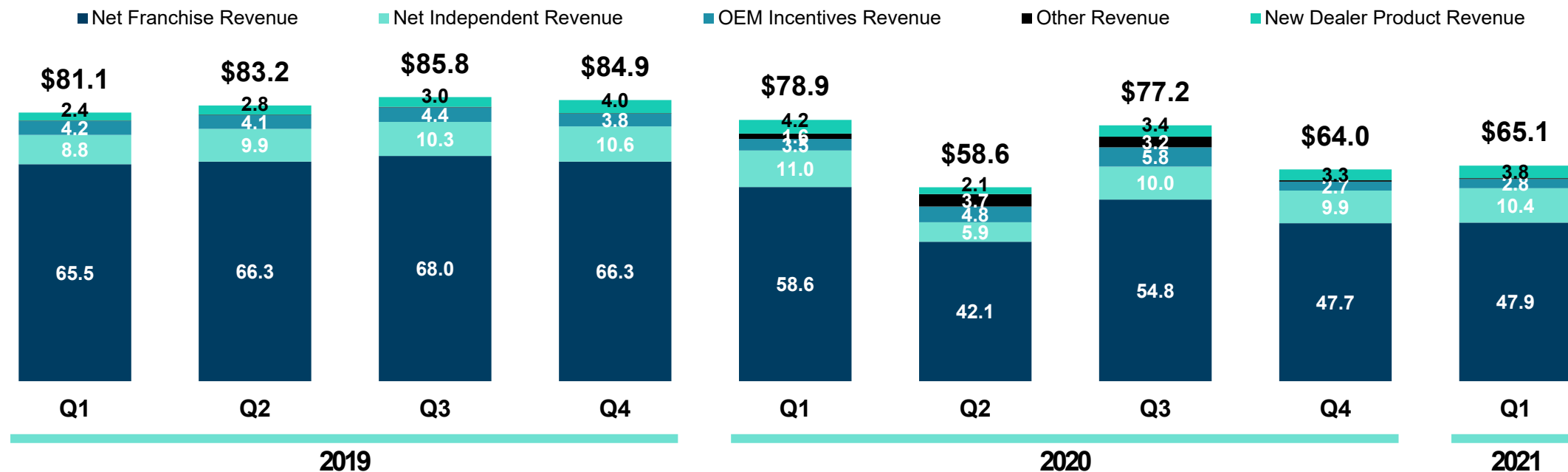


Q1 2021 Key Metrics Quarter over Quarter: Traffic, Dealer Count, Units



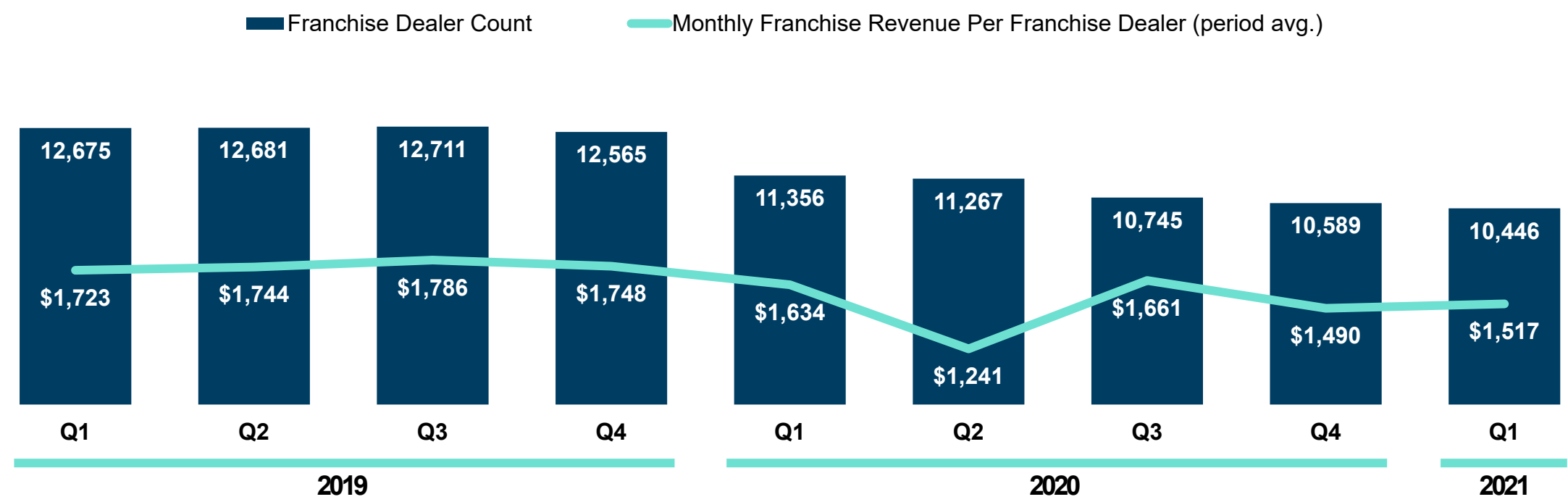
Revenue

(\$ in millions)



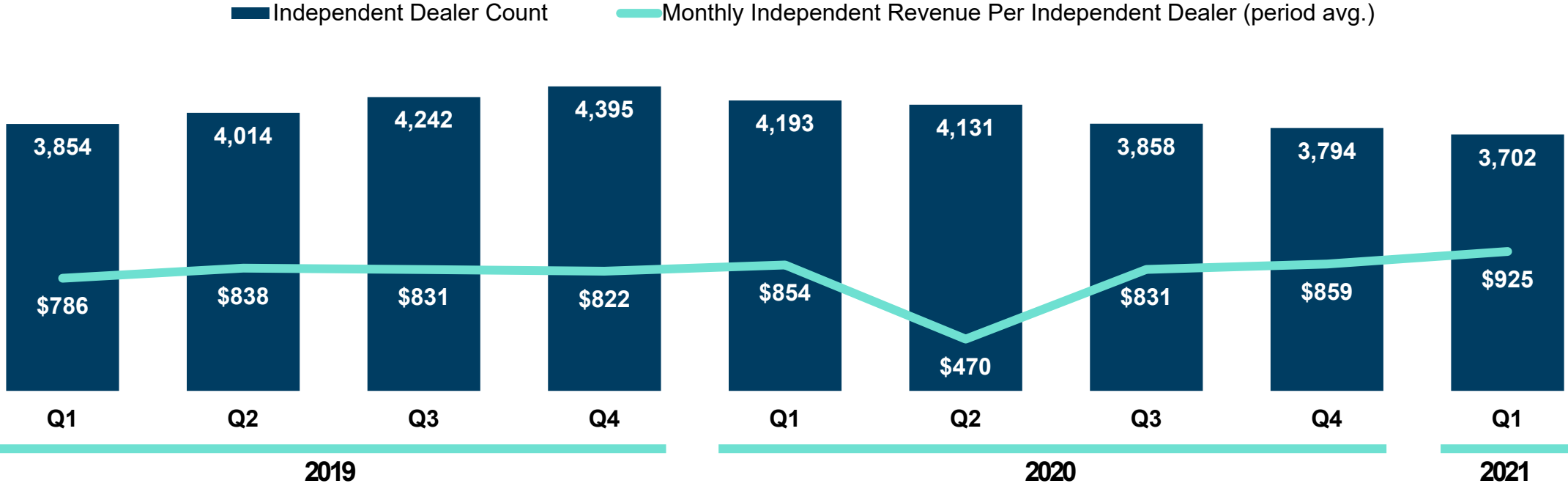
Total Revenue Y/Y:	(30%)	(10%)	(25%)	(18%)
New Dealer Product Revenue Y/Y:	(25%)	16%	(17%)	(9%)
Other Revenue Y/Y:	NA	NA	NA	NA
OEM Incentives Revenue Y/Y:	15%	33%	(29%)	(21%)
Net Independent Revenue Y/Y:	(41%)	(3%)	(7%)	(6%)
Net Franchise Revenue Y/Y:	(36%)	(19%)	(28%)	(18%)

Franchise Dealer Overview



Franchise Dealer Count Y/Y:	(11%)	(15%)	(16%)	(8%)
Franchise Revenue / Dealer Y/Y:	(29%)	(7%)	(15%)	(7%)
Franchise Dealer Count Q/Q:	(1%)	(5%)	(1%)	(1%)
Franchise Revenue / Dealer Q/Q:	(24%)	34%	(10%)	2%

Independent Dealer Overview

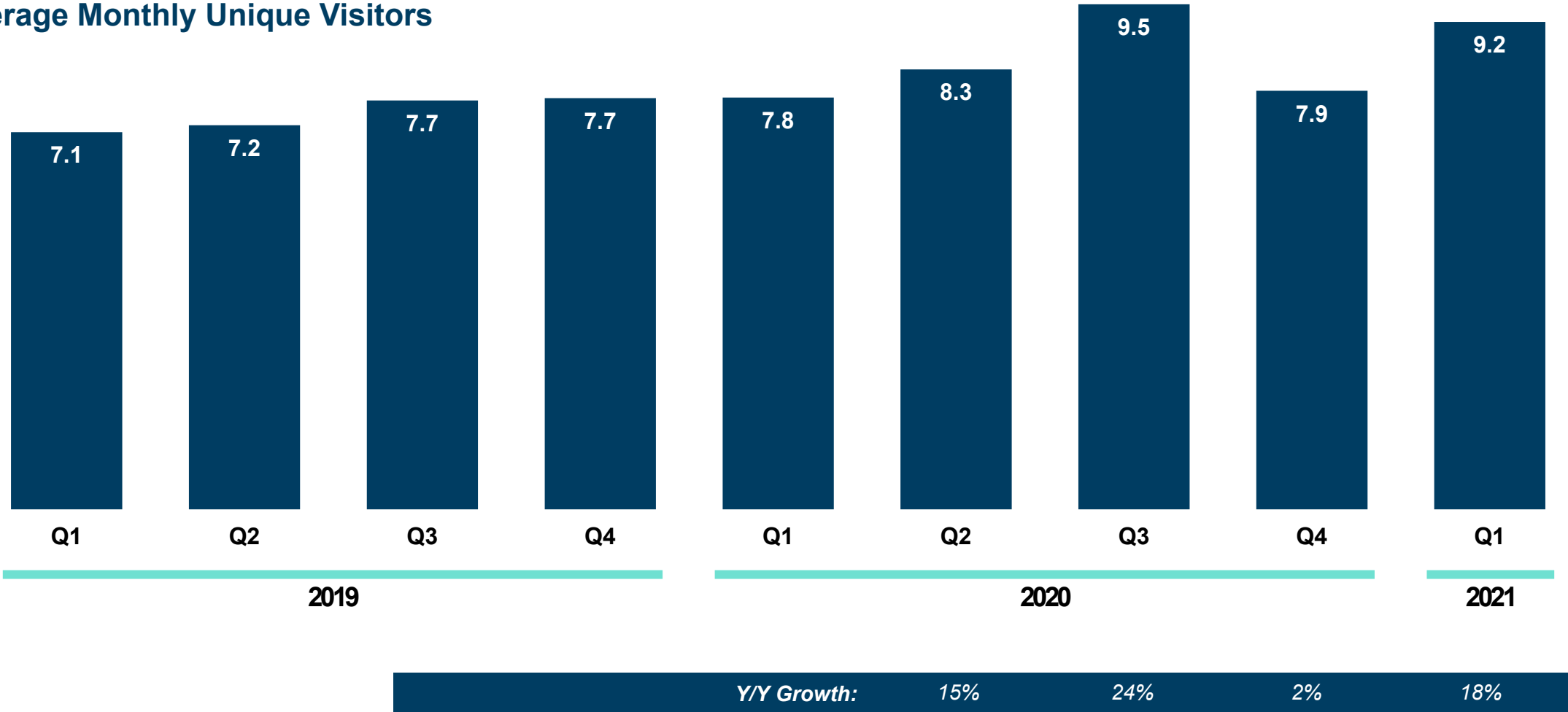


Independent Dealer Count Y/Y:	3%	(9%)	(14%)	(12%)
Independent Revenue / Dealer Y/Y:	(44%)	0%	5%	8%
Independent Dealer Count Q/Q:	(1%)	(7%)	(2%)	(2%)
Independent Revenue / Dealer Q/Q:	(45%)	77%	3%	8%

Traffic

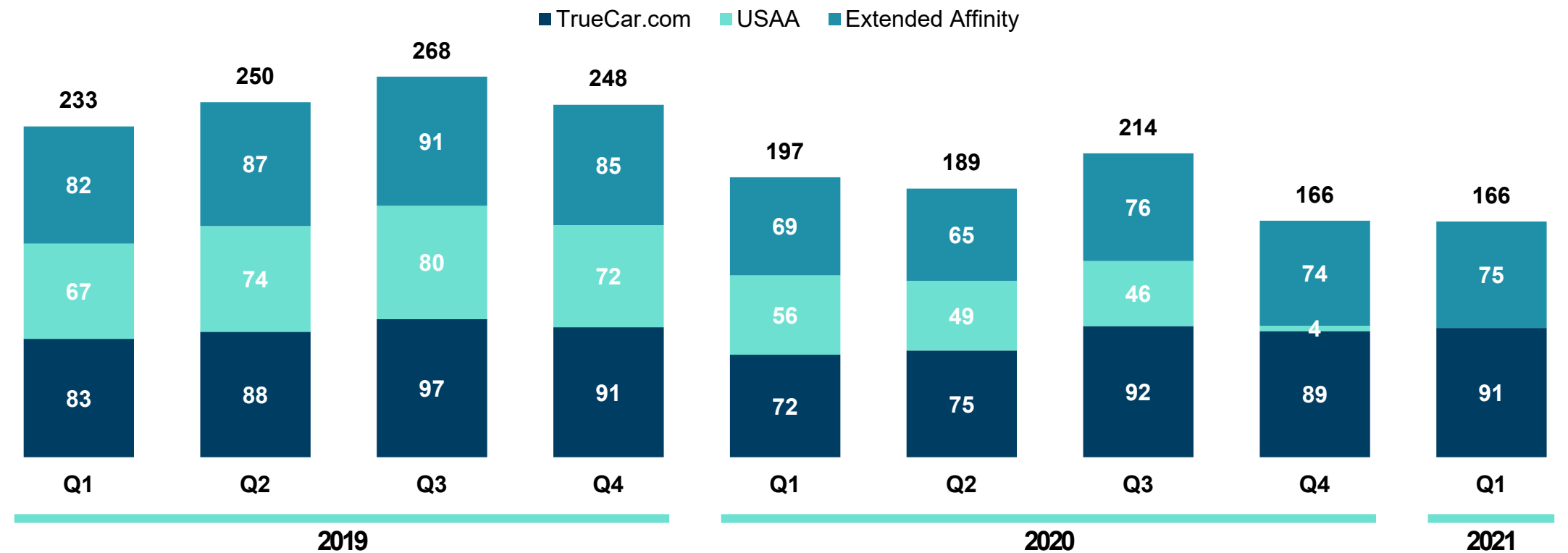
(millions)

Average Monthly Unique Visitors



Units by Acquisition Channel

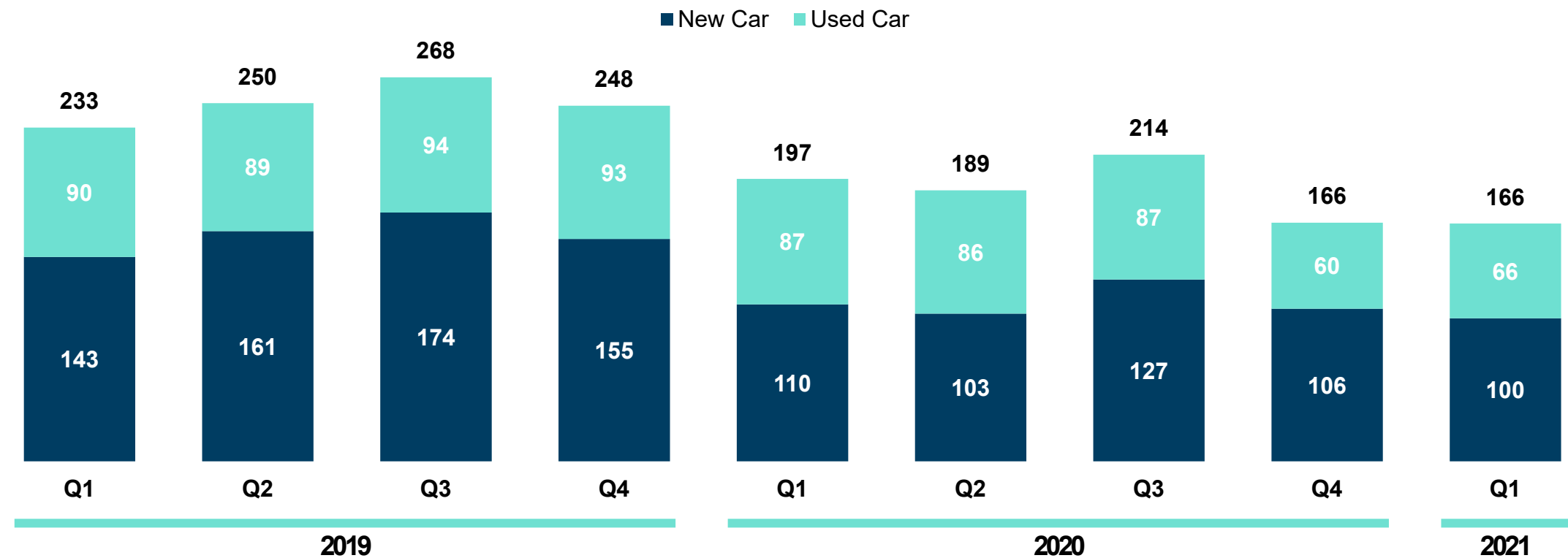
(thousands)



Total Units Y/Y:	(24%)	(20%)	(33%)	(16%)
Extended Affinity Units Y/Y:	(26%)	(17%)	(13%)	8%
USAA Units Y/Y:	(34%)	(43%)	(95%)	(100%)
TrueCar.com Units Y/Y:	(15%)	(5%)	(3%)	26%

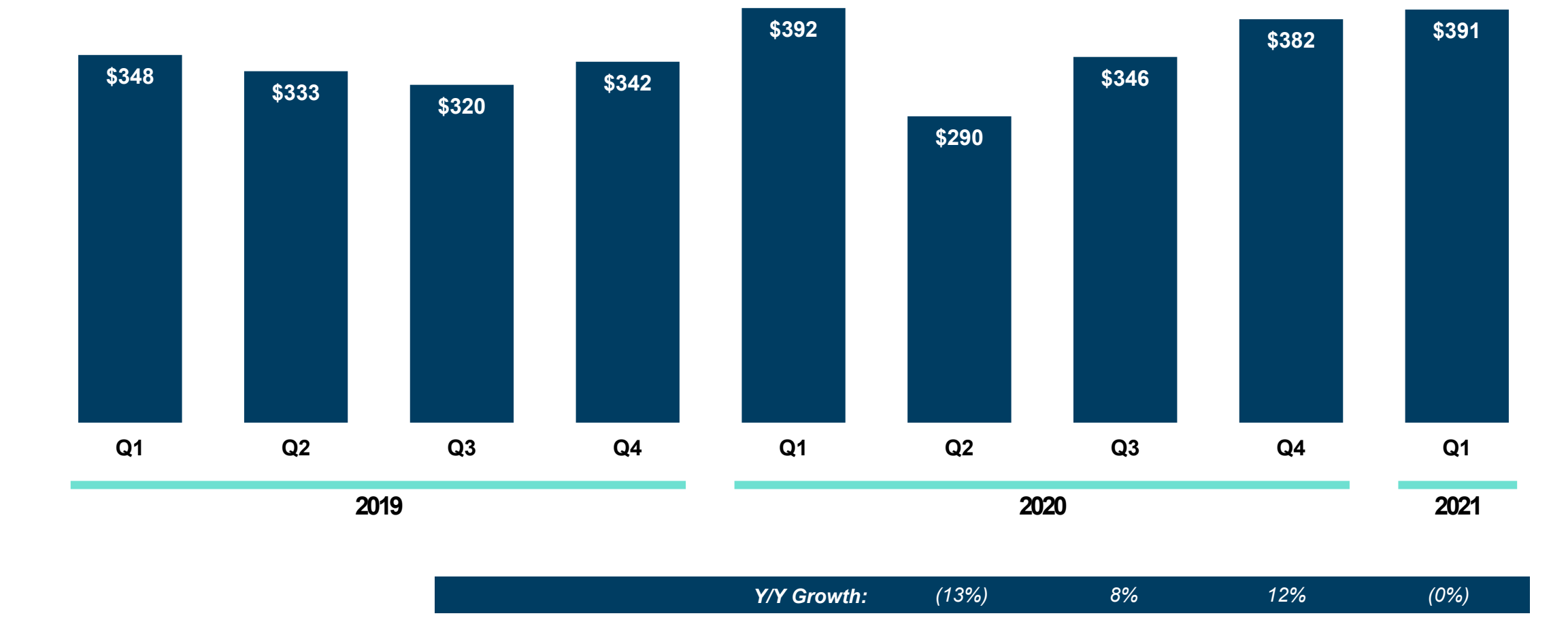
Units by New v. Used

(thousands)



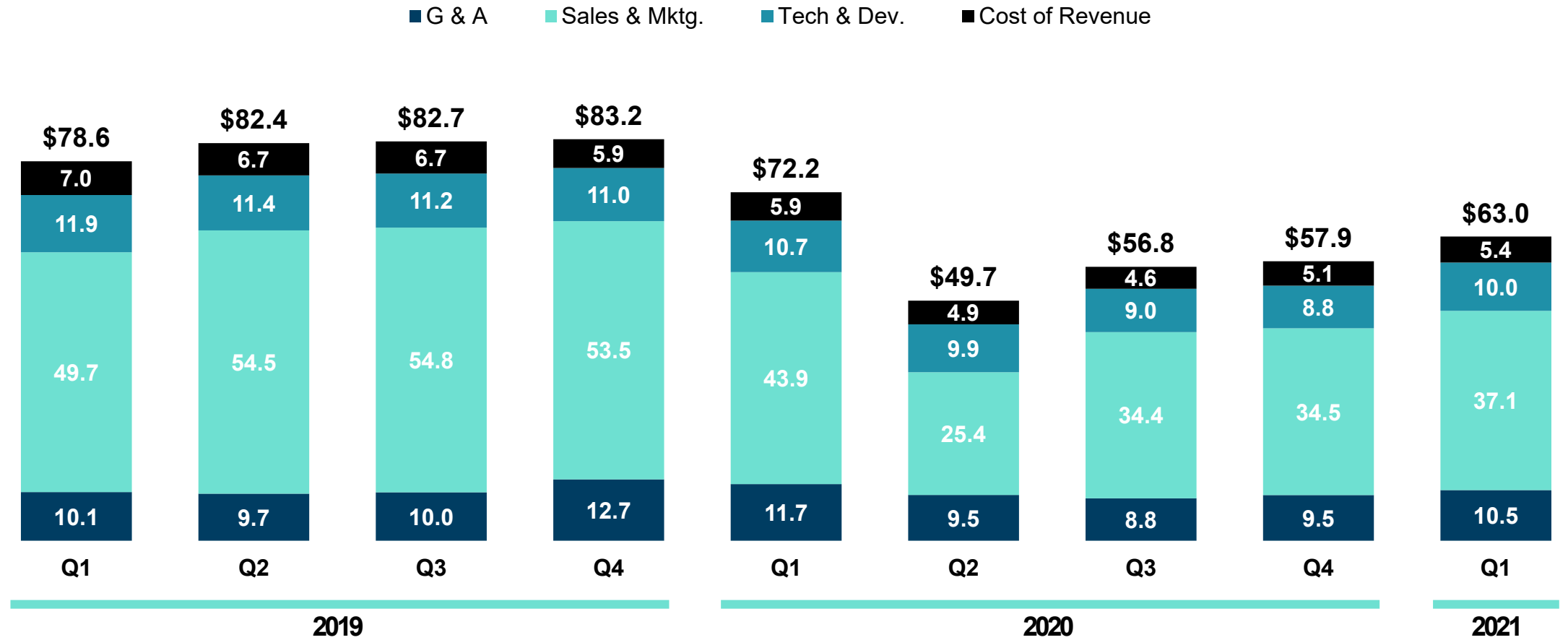
Total Units Y/Y :	(24%)	(20%)	(33%)	(16%)
Used Car Units Y/Y:	(4%)	(8%)	(35%)	(25%)
New Car Units Y/Y:	(36%)	(27%)	(31%)	(9%)

Monetization

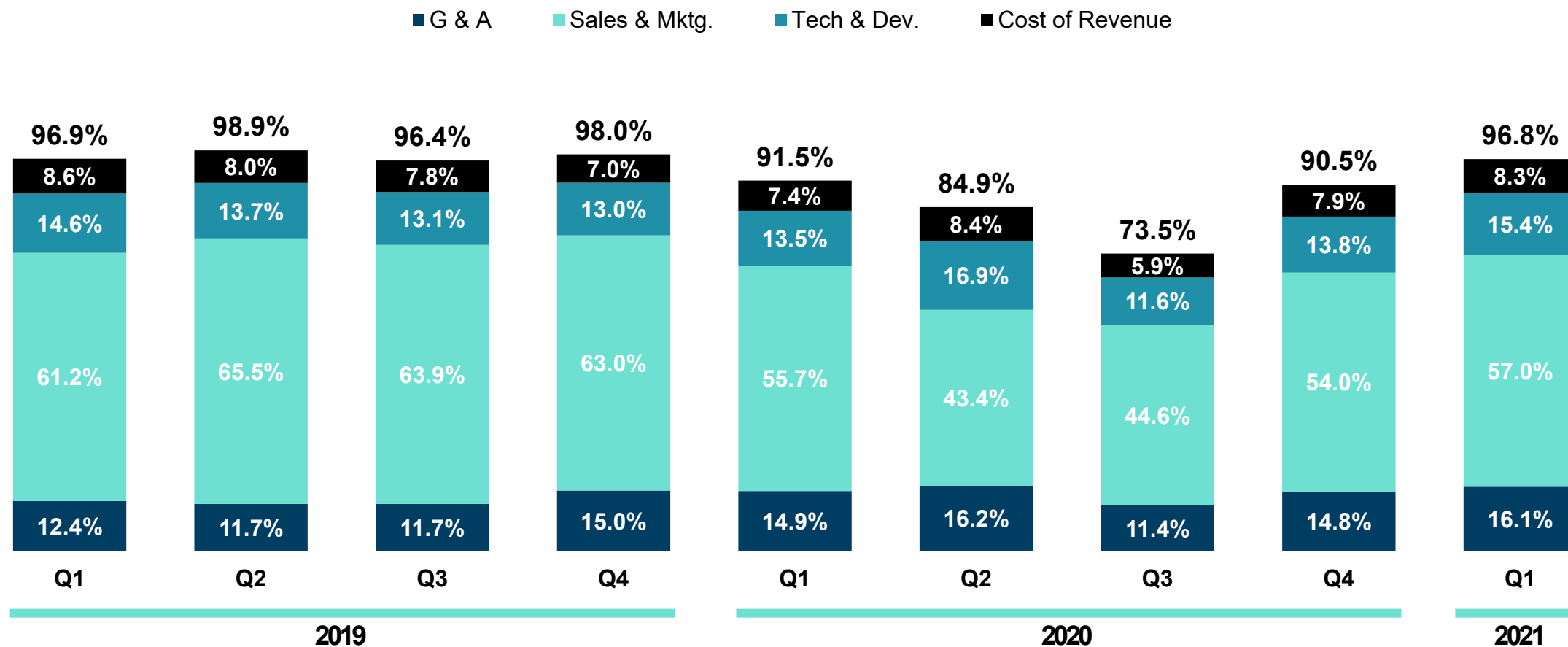


Non-GAAP Expenses

(\$ in millions)

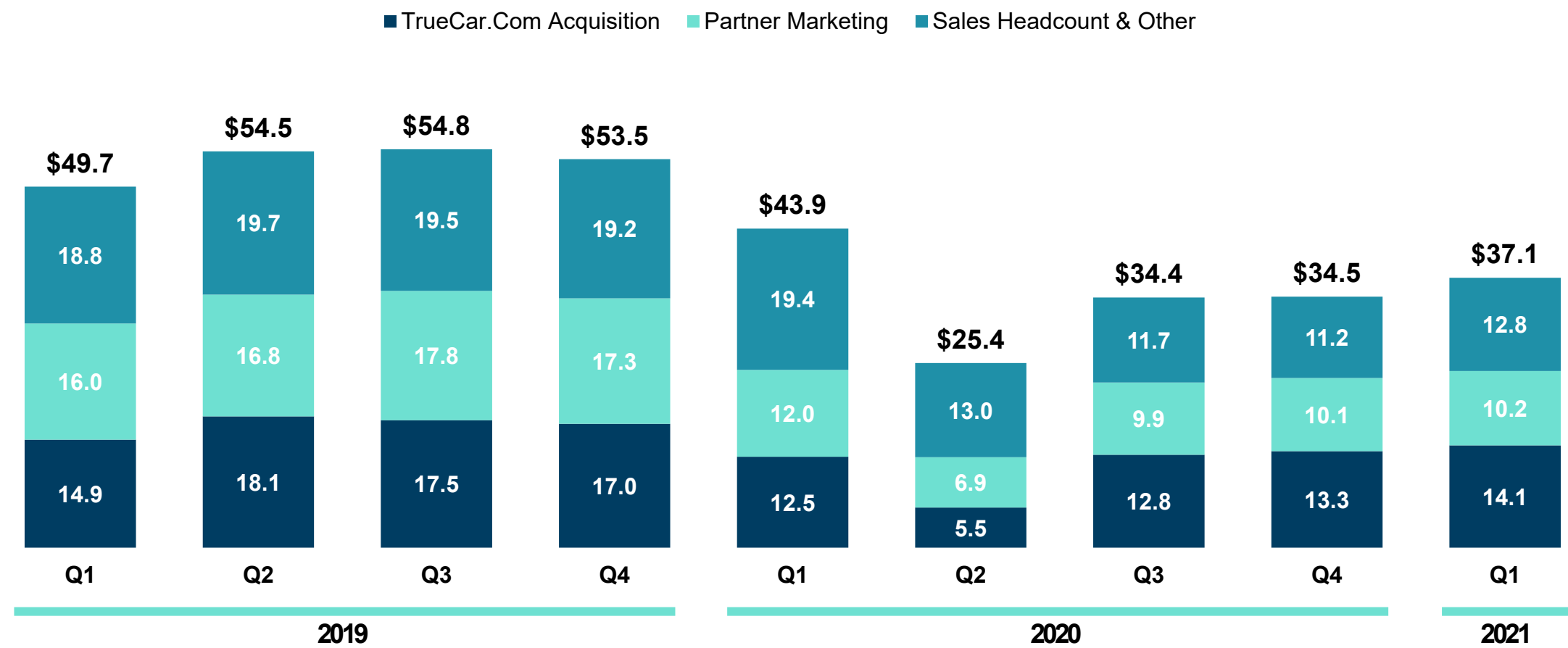


Non-GAAP Expenses as a Percentage of Revenue



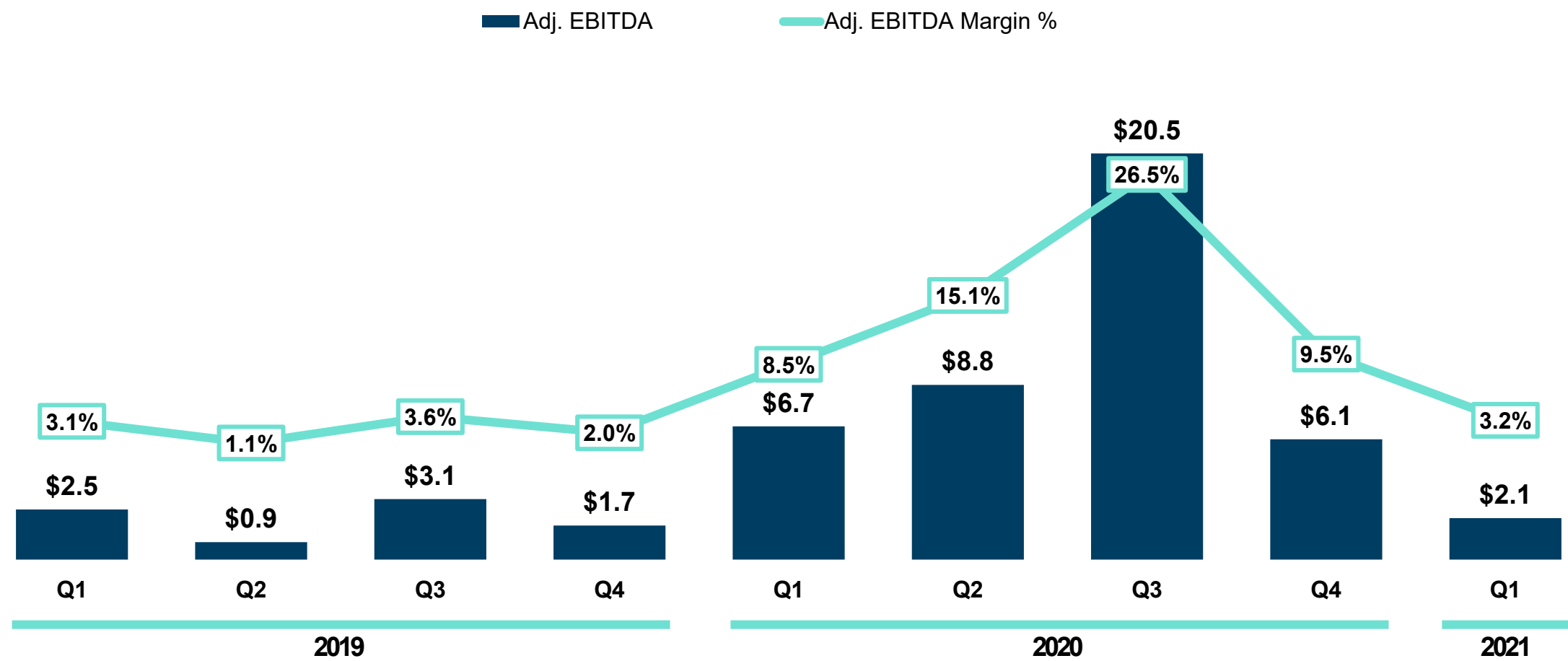
Non-GAAP Sales & Marketing Expenses

(\$ in millions)



Adjusted EBITDA

(\$ in millions)



Q2 2021 Outlook

	Low	High	Commentary
Q2 Revenue	\$65M	\$66M	<ul style="list-style-type: none">• Anticipate deploying ad spend more aggressively to take advantage of improvements to onsite conversion, monetization or customer acquisition costs when new car inventory levels return back to normalized levels.• We expect lower dealer count until new car inventory levels rebound.• Above breakeven Adjusted EBITDA for Q2.

Appendix

Reconciliation of Net Income (Loss) to Adjusted EBITDA (Unaudited)

(In thousands)	3 Months Ended				FY	3 Months Ended				FY	3 Months Ended	
	Mar 31,	Jun 30,	Sep 30,	Dec 31,		Mar 31,	Jun 30,	Sep 30,	Dec 31,			
	2019					2020						2020
Reconciliation of Net Income (Loss) to Adjusted EBITDA:												
Net income (loss)	\$ (14,364)	\$ (24,061)	\$ (7,652)	\$ (8,813)	\$ (54,890)	\$ (10,669)	\$ (11,242)	\$ 11,589	\$ 86,866	\$ 76,544	\$ (8,418)	
(Income) loss from discontinued operations, net of tax	(256)	(1,142)	(1,157)	(890)	(3,445)	279	(132)	(2,000)	(94,530)	(96,383)	-	
Income (loss) from continuing operations	(14,620)	(25,203)	(8,809)	(9,703)	(58,335)	(10,390)	(11,374)	9,589	(7,664)	(19,839)	(8,418)	
Interest income	(740)	(669)	(594)	(477)	(2,480)	(378)	(61)	(13)	(10)	(462)	(15)	
Depreciation and amortization	5,085	5,587	4,951	5,042	20,665	5,029	5,175	5,117	5,226	20,547	4,312	
Stock-based compensation ⁽¹⁾	8,298	15,157	6,805	6,202	36,462	5,914	6,111	5,607	5,445	23,077	6,385	
Share of net loss of equity method investment	-	273	464	543	1,280	382	507	571	529	1,989	329	
Certain litigation costs ⁽²⁾	928	351	157	139	1,575	(1,939)	-	-	-	(1,939)	-	
Executive departure costs ⁽³⁾	-	4,681	270	138	5,089	-	-	-	-	-	-	
Restructuring charges ⁽⁴⁾	3,015	-	-	-	3,015	-	8,346	-	-	8,346	-	
Transaction costs ⁽⁵⁾	1,094	832	-	-	1,926	-	-	-	-	-	-	
Change in the fair value of contingent consideration	-	150	75	75	300	75	46	30	31	182	31	
Goodwill impairment ⁽⁶⁾	-	-	-	-	-	8,264	-	-	-	8,264	-	
Other (income) expense ⁽⁷⁾	-	-	-	-	-	-	-	(450)	252	(198)	(625)	
Impairment of ROU assets ⁽⁸⁾	-	-	-	-	-	-	-	-	2,136	2,136	-	
Provision for / (benefit from) income taxes	(536)	(281)	(263)	(241)	(1,321)	(232)	62	38	126	(6)	94	
Adjusted EBITDA	\$ 2,524	\$ 878	\$ 3,056	\$ 1,718	\$ 8,176	\$ 6,725	\$ 8,812	\$ 20,489	\$ 6,071	\$ 42,097	\$ 2,093	

(1) The excluded amounts include stock-based compensation of \$7.2 million incurred in the second quarter of 2019 associated with the acceleration of certain equity awards and the extension of the exercise period for certain vested stock options related to the departures of certain executives, including our former chief executive officer.

(2) The excluded amounts relate to legal costs incurred in connection with complaints filed by non-TrueCar dealers against TrueCar and consumer class action lawsuits. For the first quarter of 2020, the excluded amount also includes a \$2.0 million payment received from one of our insurance carriers in settlement of a lawsuit we brought in the fourth quarter of 2017 to recover insured legal fees. We believe the exclusion of these costs and recovery are appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending that resolution.

(3) The excluded amounts represent severance charges associated with the separation of our former chief executive officer and the termination of executive-level employees in connection with a change in chief executive officer and related recruiting fees for the search for a new chief executive officer in the second quarter of 2019. We believe excluding the impact of these terminations and the associated chief executive officer recruiting fees is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results.

(4) The excluded amounts represent charges associated with the restructuring plans undertaken in the first quarter of 2019 and the second quarter of 2020 to improve efficiency and reduce expenses. We believe excluding the impact of these charges is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results.

(5) The excluded amounts represent external legal, accounting, consulting and other third-party fees and costs we incurred in connection with the evaluation and negotiation of potential merger and acquisition transactions. These expenses are included in general and administrative expenses in our consolidated statements of operations. We consider these fees and costs, which are associated with potential merger and acquisition transactions outside the normal course of our operations, to be unrelated to our underlying results of operations and believe that their exclusion provides investors with a more complete understanding of the factors and trends affecting our business operations.

(6) The excluded amount represents a non-cash impairment charge we recognized on our goodwill during the first quarter of 2020.

(7) Other income during the first quarter of 2020 primarily consists of fees earned associated with the transition services agreement we entered into with J.D. Power in connection with our ALG divestiture.

(8) The excluded amount represents an impairment charge on our ROU assets associated with certain of our existing office locations. We consider this charge to be unrelated to our underlying results of operations and believe that its exclusion is appropriate to facilitate period-to-period operating performance comparisons.

Reconciliation of GAAP Expenses to Non-GAAP Expenses (Unaudited)

(In thousands)	3 Months Ended				FY	3 Months Ended				FY	3 Months Ended	
	Mar 31,	Jun 30,	Sep 30,	Dec 31,		Mar 31,	Jun 30,	Sep 30,	Dec 31,		2020	Mar 31,
	2019					2019	2020				2021	
Reconciliation of GAAP Expenses to Non-GAAP Expenses:												
Cost of revenue, as reported	7,552	7,024	6,982	6,270	27,828	6,175	5,564	4,664	5,146	21,549	5,458	
Stock-based compensation ⁽¹⁾	305	330	321	328	1,284	313	42	108	93	556	71	
Restructuring charges ⁽²⁾	267	-	-	-	267	-	605	-	-	605	-	
Non-GAAP cost of revenue	\$ 6,980	\$ 6,694	\$ 6,661	\$ 5,942	\$ 26,277	\$ 5,862	\$ 4,917	\$ 4,556	\$ 5,053	\$ 20,388	\$ 5,387	
Sales and marketing, as reported	54,101	59,591	57,430	55,855	226,977	46,080	33,032	36,254	36,549	151,915	40,099	
Stock-based compensation ⁽¹⁾	3,376	4,608	2,604	2,383	12,971	2,161	2,279	1,816	2,002	8,258	2,959	
Restructuring charges ⁽²⁾	1,042	-	-	-	1,042	-	5,345	-	-	5,345	-	
Executive departure costs ⁽³⁾	-	434	-	-	434	-	-	-	-	-	-	
Non-GAAP sales and marketing	\$ 49,683	\$ 54,549	\$ 54,826	\$ 53,472	\$ 212,530	\$ 43,919	\$ 25,408	\$ 34,438	\$ 34,547	\$ 138,312	\$ 37,140	
Technology and development, as reported	15,403	15,714	12,782	12,215	56,114	11,899	12,800	10,162	10,069	44,930	11,193	
Stock-based compensation ⁽¹⁾	1,913	3,419	1,574	1,189	8,095	1,225	1,321	1,184	1,236	4,966	1,188	
Restructuring charges ⁽²⁾	1,628	-	-	-	1,628	-	1,557	-	-	1,557	-	
Executive departure costs ⁽³⁾	-	911	-	-	911	-	-	-	-	-	-	
Non-GAAP technology and development	\$ 11,862	\$ 11,384	\$ 11,208	\$ 11,026	\$ 45,480	\$ 10,674	\$ 9,922	\$ 8,978	\$ 8,833	\$ 38,407	\$ 10,005	
General and administrative, as reported	14,884	21,212	12,842	15,380	64,318	12,088	12,849	11,315	13,737	49,989	12,678	
Stock-based compensation ⁽¹⁾	2,704	6,800	2,306	2,302	14,112	2,215	2,469	2,499	2,114	9,297	2,167	
Restructuring charges ⁽²⁾	78	-	-	-	78	-	839	-	-	839	-	
Executive departure costs ⁽³⁾	-	3,336	270	138	3,744	-	-	-	-	-	-	
Certain litigation costs ⁽⁴⁾	928	351	157	139	1,575	(1,939)	-	-	-	(1,939)	-	
Transaction costs ⁽⁵⁾	1,094	832	-	-	1,926	-	-	-	-	-	-	
Impairment of ROU assets ⁽⁶⁾	-	-	-	-	-	-	-	-	2,136	2,136	-	
Change in the fair value of contingent consideration	-	150	75	75	300	75	46	30	31	182	31	
Non-GAAP general and administrative	\$ 10,080	\$ 9,743	\$ 10,034	\$ 12,726	\$ 42,583	\$ 11,737	\$ 9,495	\$ 8,786	\$ 9,456	\$ 39,474	\$ 10,480	

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